

C O P Y

JPA 90-166(A)

7504  
12 11 92 11A  
700 256 262  
Department of Admin.  
*Donna S. Castillo*

Attorney General Contract No. KR92-2439-ALS

GROUND LEASE

STATE OF ARIZONA  
by the  
DEPARTMENT OF TRANSPORTATION,  
Lessor

to  
DEPARTMENT OF ADMINISTRATION,  
Lessee

THIS AGREEMENT, made and entered into as of the 1st day of October, 1992, by and between the ARIZONA DEPARTMENT OF TRANSPORTATION ("DOT"), and the ARIZONA DEPARTMENT OF ADMINISTRATION ("DOA"),

W I T N E S S E T H:

WHEREAS, the State desires to acquire, construct and operate a Welcome Center at the Painted Cliffs Rest Stop on U. S. Highway 40 and to finance the acquisition and construction through DOA by lease-purchase from the Valley National Bank of Arizona as trustee (the "Trustee") for the benefit of the owners of the Series 1992C Certificates more fully described in the Declaration of Irrevocable Trust executed and delivered by the Trustee, and

WHEREAS, in connection with such financing it is necessary and desirable for DOA to enter into Ground Lease with the Trustee, and

WHEREAS, since legal and equitable title to the selected site, a certain parcel of real property situated in Apache County, Arizona as described in Exhibit A (the "Premises"), reside in DOT and must continue to reside in DOT for the foreseeable future, it is

the intent of the parties that DOT transfer an irrevocable leasehold interest in the Premises to the DOA to facilitate the financing, construction, and long term use of the Welcome Center for the benefit of the State;

NOW, THEREFORE, pursuant to law and for and in consideration of the mutual covenants hereinafter contained, it is agreed as follows:

1. Term. The DOT hereby leases the Premises to the DOA and the DOA hereby leases the Premises from the DOT for the period commencing October 1, 1992 and terminating on the 1st day of June, 2017.

2. Title to Realty and Improvements. Title to the Premises shall at all times remain with the DOT. Title to the improvements made on the Premises with the proceeds of the 1992C Certificates shall remain with the Trustee, subject to the Purchase Option provisions in the Lease at Section 23 of the Amended and Restated Lease-Purchase Agreement bearing A.G. No. KR92-2377-ALS. Insofar as the Trustee holds a leasehold interest in the Premises to secure construction financing, all such improvements made on the Premises will remain personal property and will not be deemed to be affixed to or a part of the Premises, notwithstanding that such personal property or any part thereof may be or hereafter may become in any manner physically affixed or attached to the Premises.

3. Rent. The parties hereby acknowledge payment in full of DOA's rental obligations hereunder to the DOT in an amount agreed to represent fair market rental value for the premises under the

terms of this Ground Lease. The DOA shall not be responsible for any additional payments hereunder.

4. Surrender. The DOA agrees that upon the expiration of this Ground Lease it will surrender to the DOT the Premises together with all improvements thereon.

5. Notices. All notices to be given under this Ground Lease shall be made in writing and delivered to the then Director of each of the parties and to the Arizona Attorney General's Office.

6. Prohibition Against Discrimination. In the event that it applies, the parties agree to comply with the Arizona Governor's Executive Order No. 75-5, entitled "Prohibition of Discrimination in State Contracts-Non-Discrimination in Employment by Government Contractors and Subcontractors".

7. Provisions as to Insurer. Financial Security Assurance Inc., a New York stock insurance company, or its successors as provider of a municipal bond insurance policy with respect to the Series 1992C Certificates ("Insurer") and the Trustee, shall each be a third party beneficiary of this Ground Lease. The DOA and the DOT hereby covenant and agree not to encumber, dispose of, or release any portion of the premises except upon the prior written consents of the Insurer and of the Trustee.

8. Entire Agreement; Amendment; Severability.

(a) This Ground Lease, together with attachments, exhibits and other documents or instruments executed by the DOT and the DOA in connection with this Ground Lease, constitutes the entire agreement between the parties with respect to the lease of the Premises.

(b) This Ground Lease may not be modified, amended, altered or changed except with the prior written consent of the DOT, the DOA, the Trustee and the Insurer. The Trustee and the Insurer shall each be provided with a fully executed transcript of all proceedings relating to any such modification.

(c) If any provision of, or any covenants, obligation or agreement contained in, this Ground Lease is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained in this Ground Lease. That invalidity or unenforceability shall not affect any valid or enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

IN WITNESS WHEREOF, the DOT and the DOA have caused their respective names to be signed hereto by their respective officers

thereunto duly authorized, all as of the day and year first above written.

Director of the Department  
Administration,  
as lessee

By J. Elliott Hibbs  
J. Elliott Hibbs, Director

Director of the Department of  
Transportation, as lessor

By Robert P. Mickelson  
Robert P. Mickelson  
Deputy State Engineer

The undersigned Assistant  
Attorney General has determined  
that this Ground Lease is in  
proper form and is within the  
powers and authority granted  
under the laws of Arizona to  
each of the parties.

Dated this 29<sup>th</sup> day of October,  
1992.

GRANT WOODS  
Attorney General

By W. J. White  
Assistant Attorney General  
A.G. Contract No. DOA:KR-2439-ALS  
8936A

STATE OF ARIZONA        )  
County of Arizona        ) ss.

The foregoing instrument was acknowledged before me  
this 9<sup>th</sup> day of December, 1992, Elliott Hibbs  
the Director, of the STATE OF ARIZONA  
Department of Administration.  
My Commission Expires:  
My Commission Expires July 19, 1993

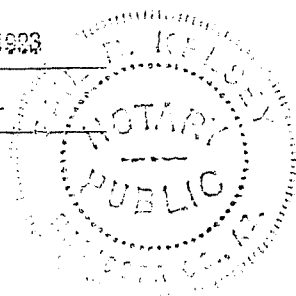
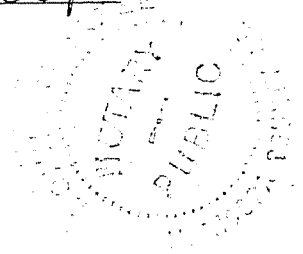
Charles R. Kelley  
Notary Public

STATE OF ARIZONA        )  
County of Maricopa        ) ss.

The foregoing instrument was  
acknowledged before me this  
3<sup>rd</sup> day of December, 1992,.

Robert P. Mickelson  
the Deputy State Engineer  
of the STATE OF ARIZONA, Department  
of Transportation  
My Commission Expires:  
My Commission Expires July 19, 1993

Donna MacAfee  
Notary Public



DKT 700 PAGE 200

EXHIBIT A  
THE PREMISES

That part of the East half of the West half of the Northeast quarter (E½ W½ NE¼) of Section 33, Township 23 North, Range 31 East, Gila and Salt River Meridian, Apache County, Arizona, described as follows:

Beginning at the Southeast corner of said East half of the West half of the Northeast quarter (E½ SW½ NE¼) of Section 33;

thence along the East-West midsection line of said section, South 88° 44' 03" West 637.57 feet, more or less, to the existing Westbound centerline of Interstate Highway 40 at approximate Highway Engineers Station P.O.T. 2814+83.72;

thence along said Westbound centerline, North 28° 20' 00" East (As-Built bearing, basis for bearings for this description) 516.28 feet, more or less, to Highway Engineers Station P.O.T. 2820+00;

thence North 61° 40' 00" West 39.42 feet to Highway Engineers Ramp "A" centerline Station P.O.T. 99+14.10;

thence along the tangents only of said ramp "A" centerline the following six (6) courses: 1) North 27° 11' 15" East 200.26 feet, 2) North 17° 11' 15" East 201.09 feet, 3) North 0° 48' 45" West 138.17 feet, 4) North 44° 48' 45" West 178.49 feet, 5) North 51° 27' 55" East 212.11 feet, and 6) North 36° 56' 15" East 38.52 feet;

thence North 53° 03' 45" West 42.00 feet to the TRUE POINT OF BEGINNING;

thence North 23° 03' 45" West 50.99 feet;

thence South 66° 56' 15" West 6.00 feet;

thence North 23° 03' 45" West 36.67 feet;

thence North 66° 56' 15" East 27.34 feet;

thence South 23° 03' 45" East 10.00 feet;

thence North 66° 56' 15" East 23.50 feet;

thence South 53° 03' 45" West 50.84 feet;

EXT 700 PAGE 201

thence South 36° 56' 15" West 50.99 feet to the TRUE POINT OF BEGINNING.

[illegible]

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer. The concentration of chlorophyll was expressed in  $\mu\text{g mL}^{-1}$ .

REF ID: A6104021 AB6

A-2

DKT 700 PAGE 262